

Investment Information

Questions of general interest to investors will be answered in this column, in which case only initials will be used. Others will be answered by mail. Address all inquiries, including a stamped, addressed envelope, to Financial Editor, The Tribune, 144 Nassau Street, New York City.

6 Per Cent on \$5,000

Question—Will you please advise me of the safe bonds and stock that will pay 6 per cent? I have about \$5,000 to invest.

Answer—We suggest for your \$5,000 following securities: \$1,000 Adirondack Power and Light 6s, 1950, yielding about 5.9 per cent; \$1,000 Lackawanna Steel 5s, 1950, yielding about 5.8 per cent; \$1,000 Missouri, Kansas and Texas prior lien 5s, 1952, yielding about 5.9 per cent; 20 shares of New York Telephone 6½ per cent preferred stock.

Ohio Power Preferred

Question—The Ohio Power Company is issuing some 6 per cent cumulative preferred stock which gives a yield about 6 per cent. Can you give me any information as to the amount of stock outstanding both common and preferred, the company and what their earnings have been for the last few years? Will you state my opinion as to the quality of this investment?

Answer—Ohio Power Company is capitalized at \$7,250,000 common and \$25,000 6 per cent cumulative preferred, of which there was outstanding earlier in the year \$4,950,000 common and \$4,233,000 preferred, par value \$100. The preferred stock has preference as to assets and dividends and is available at any time at 120. The company is owned by the American Electric Company. Preferred dividends have paid regularly since date of issue. Earnings have shown a steady increase since 1914, and the surplus applicable to dividends at the end of 1921 was \$1,491,636, the largest in the history of the company. The stock is a reasonably good investment.

National Biscuit "New"

Question—I would very much appreciate your opinion as to the new issue of the National Biscuit stock now on the curb. Why was it issued and is it a sound investment, as far as such an investment can be considered?

Answer—The "new" National Biscuit stock being traded in on the curb market is in reality the old stock on a new basis. The par value of the old shares to be reduced to \$25 and, with the proposed 75 per cent stock dividend, holders of old stock will receive seven new shares for each old one held. The stock is a reasonably good investment in common stock.

One Change Suggested

Question—I take the liberty of asking you to withdraw my investment trust with you, as I am a widowed man, forty-eight years old, with two children. In case I should not care for any investment which would have to live off my annual revenue from my wife's death, I would have a widow and two children. In case I should not care for any investment which would have to live off my wife's death, I would have to live off the necessary funds for her life. My securities are: \$1,000 Bethlehem Steel 4s, 1940; \$1,000 Wilson 4s, 1941; \$1,000 Canadian Northern 4s, 1941; \$1,000 Southern Railway 6s, 1950; \$1,000 Brooklyn Eagle 4s, 1940; \$1,000 Commonwealth Power 6s, 1947; \$1,000 Philadelphia Company first and reserve 4s, 1944; five shares New York Central; five shares New York Central; three shares New York Central; five shares Penn Marquette & prior preferred; five shares Western Electric; three shares of United States Steel preferred; and about \$450 in Liberty Bonds. Both my securities and my wife's are under the present market value and the investment of this amount would be appreciated. I hope these details will be of help to you. My wife thinks she should get 8 per cent for her money, but I realize that it cannot be done in the present market. What is the best way to approach the market where it should be but I am unable to approach that figure as closely as possible.

Answer—Looking far into the future you are doing, we feel that your position would be strengthened by substituting Penn Marquette prior preferred stock for the ordinary preferred. Aside from this we have no suggestions to make. For your \$4,000 fresh capital we suggest the additional shares of Western Electric preferred ten additional shares of Penn Marquette prior preference (assuming that you make the exchange suggested above) and \$10,000 Adirondack Power and Light 6s, 1950, yielding about 5.7 per cent.

Widow Seeks 6 Per Cent

Question—My mother, a widow, aged 85, has decided to invest the proceeds of the sale of her home. The home has been rented for 15 years and was the source of from 50 to 60 per cent of my mother's income. Other income came from savings and investments in local bank stocks and bonds. In addition she holds ten shares of American Electric Company and ten shares of United States Steel preferred and about \$450 in Liberty Bonds. Both my securities and my wife's are under the present market value and the investment of this amount would be appreciated. I hope these details will be of help to you. My wife thinks she should get 8 per cent for her money, but I realize that it cannot be done in the present market. What is the best way to approach the market where it should be but I am unable to approach that figure as closely as possible.

Answer—Suggest for this \$16,000 the following bonds and stocks in the amounts stipulated or in any other amounts you may choose to take. The return as given is the actual current rate of income. Where the full coupon payment on bonds bought at a premium would not cover current expenses it must be understood that in reality a part of the principal is being consumed. We suggest \$2,000 American Northern 7s, 1940, returning about 6.2 per cent; \$2,000 St. Louis-San Francisco prior 6s, 1928, returning about 6.3 per cent; \$2,000 Bell Telephone 4s, 1948, returning about 5.9 per cent; \$2,000 Duquesne Light 5s, 1949, returning 5.8 per cent; twenty-five shares of New York Telephone 6½ per cent preferred stock, returning about 6 per cent; twenty shares of Endicott-Johnson preferred, returning about 6.2 per cent, and \$2,000 Niagara Falls Power 6s, 1950, returning about 6.8 per cent.

Standard Oil of Indiana

Question—Kindly give your opinion regarding the Standard Oil of Indiana as an investment, also giving the length of time dividends have been paid.

Answer—Standard Oil of Indiana is a good investment for any one who is willing to accept the low current income. It is not a good investment if greater advantages accrue to the stockholders in the future. We do not know definitely any such advantages will materialize, but the market price offers a suggestion. There is \$107,000 of the stock outstanding. The par value is \$5 a share and the current dividend rate is \$4 a share, or 16 per cent. As the stock has been paid a stock dividend of 160 per cent. From 1918 to 1920, both included, the regular cash rate was 12 per cent, but extras were paid in cash as follows: 16 per cent in 1920, 12 in 1917, 18 and 1919, 13 in 1914 and 20 in 1915.

Four full columns of investment questions and answers will be published in The Tribune every Sunday and Monday. On other days one full column will appear.

Cotton Eases Off; Market Hesitant And Less Active

Force of Rallies Checked by Profit Taking; Final Prices Are 11 to 19 Points Net Lower

The cotton market was less active yesterday and appeared to be hesitating between buying on the expectation of eventually higher prices or selling on an idea that the technical position entitled it to more substantial reaction. Early declines were followed by rallies on trade buying, with December selling up from 23.75 to 24.07 during the middle of the day, but nearly all the improvement was lost with that delivery closing at 23.78. The general market closed only slightly lower than decline of 11 to 19 points.

Considering that prices had advanced more than 4 cents per pound from the level of late last September to the idea that further reaction was imminent seemed consistent with the ordinary view. So many contracts liquidated were headed to the market hands of the trade, however, that on the reaction theory was restricted, although enough had been held to be a check on sharp buying for profit taking.

Price advances from Fall River estimated the sale of print cloths and pieces for the week. Southern spot markets officially reported were generally 10 to 12 points lower than the preceding month, ranging from 22.90 to 23.75, with December closing at 23.75. The general market for spot cotton was 10 cents lower and 10 points lower at 23.90 in the spot market.

The range of prices:

Open High Low Close
Nov. 3.69 3.63 3.62 3.65
Dec. 3.64 3.69 3.63 3.65
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